

September 19, 2002

**Don Siegelman**  
*State of Alabama*

**Jane Dee Hull**  
*State of Arizona*

**Mike Huckabee**  
*State of Arkansas*

**Gray Davis**  
*State of California*

**Dirk Kempthorne**  
*State of Idaho*

**Paul Patton**  
*State of Kentucky*

**M.J. "Mike" Foster, Jr.**  
*State of Louisiana*

**Ronnie Musgrove**  
*State of Mississippi*

**Judy Martz**  
*State of Montana*

**Mike Johanns**  
*State of Nebraska*

**Kenny C. Guinn**  
*State of Nevada*

**Gary Johnson**  
*State of New Mexico*

**John Hoeven**  
*State of North Dakota*

**John A. Kitzhaber**  
*State of Oregon*

**William J. Janklow**  
*State of South Dakota*

**Michael O. Leavitt**  
*State of Utah*

**Gary Locke**  
*State of Washington*

**Jim Geringer**  
*State of Wyoming*

The Honorable Billy Tauzin  
Chairman  
House Committee on Energy  
and Commerce  
2125 RHOB  
Washington, DC 20515-6115

The Honorable Jeff Bingaman  
Chairman  
Senate Committee on Energy  
and Natural Resources  
SD-364 DSOB  
Washington, DC 20510-6150

Dear Chairmen Tauzin and Bingaman:

We the undersigned governors thank you and the other members of the Energy Bill Conference Committee for your hard work on energy legislation. This letter comments on the Federal Energy Regulatory Commission's proposed Standard Market Design Rule. This is an exceptionally far-reaching proposal which represents a significant shift in this nation's policy and it is therefore deserving of a thorough review by Congress, states and other stakeholders.

We believe that the Federal Energy Regulatory Commission's proposed Standard Market Design is moving too rapidly and has not been adequately evaluated. Congress should, therefore, direct the FERC to delay adopting a Standard Market Design rule until the problems and alternate solutions have been identified and evaluated. Such evaluations must be done in a comprehensive state-FERC effort in each region of the country and involve stakeholders in the region.

Because of the impact of the proposal on our citizens and economies, individual governors have and will continue to share with you their views on the Standard Market Design proposal. We raise these concerns with you should this issue be addressed during your deliberations.

Sincerely,



Don Siegelman  
Governor of Alabama



Jane Dee Hull  
Governor of Arizona




Mike Huckabee  
Governor of Arkansas

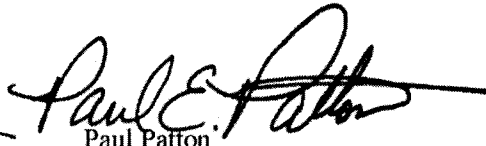


Gray Davis  
Governor of California


The Honorable Billy Tauzin  
The Honorable Jeff Bingaman  
September 19, 2002  
Page 2




Dirk Kempthorne  
Governor of Idaho



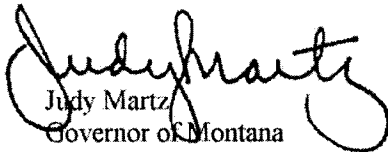
Paul Patton  
Governor of Kentucky




Mike Foster  
Governor of Louisiana




Ronnie Musgrove  
Governor of Mississippi



Judy Martz  
Governor of Montana



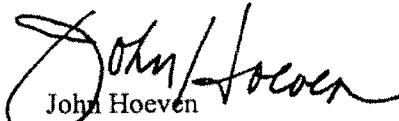
Mike Johanns  
Governor of Nebraska




Kenny C. Guinn  
Governor of Nevada




Gary E. Johnson  
Governor of New Mexico




John Hoeven  
Governor of North Dakota




John A. Kitzhaber, M.D.  
Governor of Oregon




William J. Janklow  
Governor of South Dakota



Michael O. Leavitt  
Governor of Utah



Gary Locke  
Governor of Washington



Jim Geringer  
Governor of Wyoming

cc: All Energy Bill Conferees